JAPAN'S GRIP ON MANCHURIA

DOUBT IF NEUTRALIZATION OF BAILROADS WILL GO.

ers of Other Nations Complain of Seeret Rebates That Practically Close the Spen Door Where Did They bears Rebating?—Both Sides Heard.

A division of opinion as to the practicaity of Secretary Knox's proposal to the Powers for the neutralization of the tion railroads under an internarate exists among traders and sports of New York who have large usiness interests in the territory which rould be affected by the joint action wited by the Secretary's note. While differing upon the subject of the efficacy of the scheme to insure the continuance the open door in North China and upon matic interpretation which may be put upon this latest proposal of America ng the complicated interests of the Fast, traders who have had exce in the Manchurian field since the close of the Russo-Japanese War are nous in the belief that Secretary s's proposal is an attempt to correct spirit if not the letter of the Hay y of equal opportunity in China.

While gathering yesterday expressions of opinion from the traders who say they suffered from Japanese discriminain Manchuria, worked chiefly through ulation of freight rates and avoidof customs duties, a reporter of THE also obtained from the secretary of Japanese Consulate here facts set in refutation of these charges and expression of opinion on the Knox by from a Japanese who is believed o be a semi-official mouthpiece of his ment in matters of trade and

The manager of one of the largest Oriental trading firms in this country set forth the situation which, he said, all oreign traders have had to combat in uria since the Japanese domination of the land and the market there and which he believed, the Knox proposal which, he believed, the Knox proposal was designed to remedy.

*While there has been a gradual improve in the matter of the Japanese domiof the Manchurian market by uneans since the time when during the rawal of the troops from the field after the war they practically closed the market to all foreigners," said this the market to all foreigners," said this manager, "enough of their old régime mains to substantiate the belief among the foreign traders seeking to compete at them that they have in view complete isolation of Manchuria the free competition of the world. an open alliance between the Government of Japan and the big Japanese commercial concerns exploiting Mannations have to combat; unaided by their ments they are unequal to the

The marked methods of Japanese heir ownership of the only avenues of ce from the ports inland are legitimate and otherwise. As legit-te I class the subsidizing of all the e steamship lines which ply be-Aniung and Dalay. As legitimate, also, the open subsidy to various commercial enterprises in the Manchurian field, even though the ultimate economic effect of this policy of subsidy may be open to question. But there have been three question. timate methods to secure exclusive actimate methods to secure exclusive action of the dependent of the Japanese which are adopted by the Japanese which are to be excused on any ground, and high, taken together, point to a direct idation of the open door policy. These are the giving of secret rebates a the lines of the South Manchurian allroad Company; the evasion of Chinese utongs through shipment of goods oneigned to Manchuria through Dalny, the port of the Japanese leased territy of Kwangtung, and the hindrances ut in the way of the shipment of foreign put in the way of the shipment of foreign goods over the lines of the South Man-chtrian Railroad."

This man said that through the Mitsui Bus-san Kaisha, a great trading firm in which it

Tels man saidthat through the Mitsui Bussan Kaisha, a great trading firm in which it believed the imperial house of Japan owns interests, the Osaka Spinning Company and various other companies independent or under Government trust ownership, Japan had nurtured Manchurian trade by subsidies, either in the form of direct loans of Government money at low interest or by temporary remission or interest or by temporary remission of freight rates across seas and overland on the Japan owned railroad. He showed a statement recently printed by the Japan Caronicle, an English paper in Kobe, which said that so far had the Government gose in its favoring of new industries and greater commercial activity in Manchuria that while the Government itself through the Yokohama Specie Bank.
The institution was allowing cotton
spinners exporting to Manchuria to draw
bills at ninety days sight at this low in-

ut all this," he said, "is but a part of the Japanese propaganda in Manchuria which is strictly within the province of the Government and in conformity with the spirit of the open door in China. No gn trader can question the propriety ness aids to Japanese trade; unfor-tely, however, they are but a part greater system in which the railroads of a greater system in which the railroads play a leading part. The art and practice of secret rebating may have been learned from American railroads, but in the present instance the iniquity of secret rebating greater because it has an international is greater because it has an international

To to within a year ago the South Marchurian Raifroad made open rebates based upon the volume of the freight carried. Even though it published its fied. Even though it published its adule of repates and made a pretence of rying out this schedule as published, ligners who had to ship over its lines cot more than one shock at seeing small centers in the interior of Manchuria handling consignments of goods, full freight on which made the handling of same goods almost impossible for tign competitors. Since the abolition open rebates by the railroad there have of open rebates by the railroad there have been evidences of secret rebating in favor of Japanese goods, although no direct proof of this practice can be obtained.

As to the avoidance of Chinese customs duty by Japanese shipping into Manchuria via Dalny, that is a matter which was fully covered by Vice-Consul Cloud in his report recently made to the State Department. This report showed that there was a great discrepancy between the total Japanese imports into Manchuria which paid duty to the Chinese customs and the Japanese imports into the leased territory of Kwangtung passing through the port of Dalny under the through the port of Dainy under the mption certificates of the Chinese toms. Of course the Japanese pay duty to China on goods which do not y; all other foreigners, whether ship-through Dalny or Newchwang outside of the leased territory, have to pay

vice-Consul Cloud showed that the net walue of foreign goods entered at Dainy for the year 1908 amounted to something over \$12,000,000. Of this amount a little over \$3,000,000 represented the value of the goods that went beyond Dainy and the leased territory to Manchuria. This means that the customs report would indicate that nearly \$9,000,000 worth of goods was consumed in the leased the state of the sta

THE DELICIOUS FLAVOR OF

Apollinaris Water

COMBINED WITH ITS PERSISTENT EFFERVESCENCE

And Valuable Digestive Qualities

Accounts for its

Ever Increasing Popularity

paid.
"As to the physical hindrances put in the way of foreign traders along the lines of the South Manchurian Railroad, that of the South Manchurian Railroad, that is the hardest thing to prove and can only be established to a moral certainty by the coincidence of many experiences. When a foreign shipper has his consignment held up at Newchang for days and days because of the 'scarcity of cars' or finds a shipment from Newchang into the letter of the Hay equal opportunity in China. The constant of the traders who say they are throm Japanese discrimination of the first time. When it happens again and he hears of the same thing happens of the same thing hap

clusions."

Another exporter, who does a large business with Manchuria in machinery and machine parts, said yesterday that he believed that Mr. Knox's plan for neutralization of the railroads was the only check possible to put upon Japan's designs upon the exclusive possession of the Manchurian trade, but he did not believe that the Powers concerned could be made to agree to the scheme."

"Japan will never consider this plan

"Japan will never consider this plan for a moment," said he, "ever though it is notorious that the South Manchurian it is notorious that the South Manchurian road has been a losing venture financially from the day that Japan took it over from the Russians. It is the strategic value of the railroad that is the potential worth to Japan, both from a military and a commercial viewpoint. In fact it was through the clever mingling of the military and commercial character of the line that Japan got its first grip on the Manchurian market; goods which were escorted by a parcel of armed guards arriving at a station where other guards are successed as a station where other guards are successed as a station which has been bothering the police of Brooklyn and Queens. There are two men over there of the name policemen. Thomas Burns said that his son's name is Bernard F. Burns. There are two men over there of the name policemen. Thomas Burns said that his son's name is Bernard F. Burns. There are two men over there of the name policemen. Thomas Burns said that his son's name is Bernard F. Burns. Both of them are policemen. Thomas Burns said that his son's name is Bernard F. Burns. Both of them are policemen. There are two men over there of the name policemen. Thomas Burns said that his son's name is Bernard F. Burns are policemen. Thomas Burns said that his son's name is Bernard F. Burns are policemen. The case of Burns has brought to light a curious situation which has been bothering the curious sit invitation to be bought.

"This invitation to neutralize the railroads of Manchuria looks to me as if
it were only preliminary to something
else and designed as an answer to the
bluff diplomacy of Japan in the matter
of the San Francisco school situation.
It practically clinches as truth the complaints of foreigners of all the Powers
that Manchuria has not been open door
territory since Japan got hold of it."

Others who were interiewed said that
Mr. Knox's plan was both feasible and
excellent diplomacy. It would find a
great amount of sympathy in Great
Britain, some of them believed, for even
though that country was bound to Japan
by an alliance, the bond was decidedly
unpopular among British merchants who

by an alliance, the bond was decidedly unpopular among British merchants who have been among the chief sufferers under the Japanese policy in Manchuria. Mr. Aoki, the secretary of the Japanese Consulate, who has recently come to New York after serving in a similar post at the consulate in Mukden, explained yesterday the discrepancy between total imports into Manchuria and imports into the leased territory which was indicated by Consul Cloud's report. He said:

was indicated by Consul Cloud's report. He said:

"There is no evasion of the Chinese customs in Manchuria by the Japanese, and there never has been. The figures submitted in Consul Cloud's report can be explained. According to the Chinese customs returns for the year 1908 the total of all foreign exports entering Dalny was in round numbers 18,470,000 taels la tael is variable and is about the equivalent of 80 cents in our standard. Of this sum 4,640,000 taels represented the value of goods which were shipped on through Dalny to Manchuria. The preponderance of the customs returns for the leased territory alone over those of Manchuria is explainable on two grounds. First that the greater part of the goods imported through the port of Dalny was expensive railroad material, machinery and engineering material used in the

ported in the year 1908 materials valued at 15,000,000 yen [\$7,500,000].

"A second reason for the preponderance of the leased territory returns over those of through goods is simply that the Japanese who import at Dalny only put the full valuation on their goods, for they do not have to pay duty. When they import for shipment outside of the leased territory they are prone, like all foreigners, to undervalue their shipments. That is the reason why the shipments through Dalny to the country outside of the leased territory seem to shrink materially in value."

Mr. Zumoto, who is the head of the Oriental Information Association at 35 Nassau street and who keeps in close touch with Tokio through former connections in high places there, expressed his sorrow that Mr. Knox should have taken the step he did in the face of the entente between Japan and America, recently made stronger by the visit of the battle fleet. He said:

"Although I have not the slightest doubt that Mr. Knox's note to the Powers was proposed in all sincerity and friendship it is bound to fall. I cannot see

was proposed in all sincerity and friendwas proposed in all sincerity and friendship it is bound to fall. I cannot see in the first place how an international syndicate composed of representatives of five or six nations could succeed in managing a railroad business over a vast tract like Manchuria without constant hitches arising from the clash of international interests. In the second place I don't see how Japan could part with the Manchurian railroad without the her Manchurian railroad without most positive assurances that her enor-mously preponderating interests, political, economical and strategic, in Man-churia would be secured from disturb

"It is stated in some of the papers that "It is stated in some of the papers that not long ago official Japan was not opposed to the placing of the South Manchurian Railroad under American management. It is constantly argued that the Japanese Government will not reject Knox's proposal. I do not know what line of action the Government will take, but I know that the public opinion in Japan is solidly against your Secretary's proposal, and even if the Government were in favor of it it would hesitate to ignore the clearly expressed sentiment ignore the clearly expressed sentiment of the whole country. And I don't be-lieve that those who were at first inclined of the whole country lieve that those who were at first inclined to favor the idea of American manage-to favor the idea of American manage-

ment of the railroad represented the railing perty in official circles. "I may add that the Japanese nation attaches great importance to the retenattaches great importance to the reten-tion of this line and to the maintenance of all the interests and privileges which it has gained as the results of the bloody war with Russia because the few hundred miles of railroad with its accessory rights nd the borders of the leased ter- and privileges constitute some of most important tangible results of that war. How highly we regard this line and these interests may be judged from the fact that when the stock of the railroad was first put on the market it was oversubscibed 300 times. This because the people thought it their patriotic duty

JOTTINGS ABOUT TOWN.

into the territory of Manchuria duty un- A CONFUSION OF BURNSES

TWO LONG ISLAND BURNS COPS

Burns had been employed by the Salvation Army in Jersey City for nearly two years, and although folks over there didn't know very much about his family history they liked him. If he hadn't got the notion about a son he might still be with the Salvation Army. But he disappeared on New Year's Day and Major Winchell of the Salvation Army would like to learn what has happened to

arriving at a station where other guards arriving at a station where other guards were located carried with them in the first days after the war more than an Bedford avenue police station and the latter is a mounted cop. Both of these men deny any relationship with the Burns from Jersey City

Winchell says that Thomas Burns wen to the Salvation Army headquarters in Jersey City on August 24, 1908. He told Winchell that he was a widower and had no home. He did not mention anything about sons until last November. Burns used to drink a little, said Winchell, but he signed the pledge recently and was a very conscientious worker

On November 17 Burns surprised Major Winchell by telling him that he had a son who was a policeman living in Brook-lyn. As near as Winchell can remember Burns read about it in a newspaper. The next day Winchell wrote a letter to Policeman Bernard F. Burns of 158 Rut-ledge street, saying:

Your father, Thomas Burns, is working for us and has been for a year or more. He is anxious to get into communication with you and wanted me to write to find if you could come and see him some Sunday

was expensive railroad material, machinery and engineering material used in the construction of Japanese works within the boundary of the leased territory. A single cement manufactory imported material to the value of \$80,000 taels.

The South Manchurian Railroad imported in the value of \$80,000 taels.

The South Manchurian Railroad imported in the value of \$80,000 taels. Thomas, who he thought had been killed

in the Philippines.

"It's all right now, Major," he said.

"I'm going to live with my sons after all these years of separation. I've fixed it my

t up."
Naturally Winchell was pleased that the "I'll be over soon to see you," Burns told him. He has not kept his promise. Bernard Burns of Brooklyn was not

pleased yesterday when a number of inquirers asked him if it was true that his father had returned. Bernard Burns of Jamaica laughed when he was asked if it was his father. "My father's name is John J. Burns," said the Jamaica cop. "He hasn't been away for a long time and he's living with

out here. You've got the wrong y." The Jamaica Burns said he had never heard of his Brooklyn namesake. Policeman Burns of Brooklyn showed memorials of his father's death in 1889 He died while trying to save some one in a fire. Thomas F. Burns is no relation to him, the policeman is reported to have said. And that is all he knows about the

matter.

Last night Major Winchell came to THE Sun office and said that he could not imagine what has become of the elder Burns. He is going to find him if possible.

POLICE HAVE GOT HIS CLOTHES Delay of Justice Makes Morris Ginsberg Feel Cold and Poor.

A shabbily dressed man with despair in his face approached Deputy Assistant District Attorney Embree yesterday and begged to be allowed to testify before the Grand Jury without delay.

"Do me this one favor, for I am a poor man," he said as he fingered two frayed coat lapels and explained that he wore the only suit he had to his name, which was Morris Ginsberg. It was a borrowed suit at that, because while he was taking a Turkish bath at 52 Ludlow street some one had robbed his locker of every stitch of clothing. David Kasowitz of under suspicion. The property clerk at Headquarters has the clothes, "And I am too poor to buy more." said Ginsberg.
Ginsberg said he lived at 143 Division street, but had another home in Sullivan oonty. He produced a card that showed he was the proprieter of the Lookout House at Seuth Fallsburg station. Be-sides bathing and an excellent view the card says that the hotel has a "Beautiful Orchard with Fruit."

that The proprietor explained that his wife and several children were in Sullivan county and that they needed immediate

said Ginsberg. He reached into a back pocket and drew out a piece of paper and with it a fat roll of bills with two The United States Circuit Court of Appeals or three yellow ones on top. A little goods was consumed in the leased the ritory alone. Anybody conversant with trade conditions in Manchuria knows that there is but one explanation of this discrepancy. It is that Japanese goods is crepancy. It is that Japanese goods the receipt of the Merchant Circuit Court of Appeals or three yellow ones on top. A little question of the Mission of the Mission of the District Attorney's office in and out of the District Attorney's of

ANNUAL REPORT

THE AMERICAN SUGAR REFINING COMPANY

REPORT OF THE BOARD OF DIRECTORS OF THE AMERI-CAN SUGAR REFINING COM-PANY TO THE STOCKHOLD-

The Directors herewith submit their re-port for the year 1900. While the assets and business of your company are the property of its stockholders, yet your Directors recognize its stockholders, yet your Directors recognize the legitimate interest which the public has in a business organization which deals to a large extent in a necessity of life. A further motive for this report is found in the fact that it seems to be the only method by which this company can correct the wide-spread misrepresentation and unjust criticism to which it has been subjected. A business corporation can have no except where which it has been subjected. A business cor-poration can have no asset more valuable than the good-will of the public, and that good-will can best be gained by explaining to the public the nature of any existing mis-apprehension as to its character and opera-

I. Ownership of the Company.

It is commonly supposed that the shares of your company are owned by a comparatively few residents of New York City. The fact is that the average holding of stock by any individual is less than fifty shares. The majority of the stock of your company is held in New England, and its value and stability as an investment is best evidenced by the fact that your shares are largely held by executors, administrators, trustees and other fiduciaries. administrators, trustees and other fiduciaries. Its stable value as an investment is also attested by the fact that there have been no substantial changes in the stockholders for a very long period. The number of our stockholders of common and preferred stock is

18.484.

In view of the preponderant holding of stock by New England shareholders, you will be asked to increase the Board of Directors by two members, and for these positions the names of Mr. Edwin F. Atkins and Mr. Samuel Cars, both of Boston, and both well and favorably known in business circles, will be submitted for your approval. Another vacancy in the Board has been created by the declination of Mr. Charles H. Senft to serve another term, and to fill his place a number of influential stockholders have suggested the selection of Mr. E. S. Marston, the President of the Farmers' Loan & Trust Company, of New York, one of our oldest and most conservative financial institutions. Among other changes, it may be noted that your Board changes, it may be noted that your Board has selected James M. Beck, formerly Assis-tant Attorney-General of the United States. as the new General Counsel for your Com-

II. This Company not a Monopoly. Another misapprehension, to which it seems dvisable to call attention, is the common

Another misapprehension, to which it seems advisable to call attention, is the common belief that your company exercises a monopoly in the sugar trade. When in 1894 the Supreme Court of the United States authoritatively decided in United States vs. Knight, et al., 136 U. St., I. that your company was not a monopoly, under the Sherman Anti-Trust Law, this company had a much larger percentage of such trade, but, with the intense and ever increasing competition which has since prevailed, the figures of Messrs. Willett & Gray, the recognized sugar statisticians show that your company does not now refine more than 43.5 per cent. of the sugar consumed in this country, and this notwithstanding the fact that the meltings of your company have been well maintained.

There are in the United States three essentially different classes of establishments producing sugar; firstly, the refineries which draw their raw sugar almost entirely from foreign countries and the dependencies of the United States; secondly, the beet sugar factories, which make white granulated sugar directly from beets; and, thirdly, the factories of Louisiana and the South, which extract sugar from cane grown locally. Your company is not interested in any way whatever in this third class of establishments. Of the 21 cane sugar refineries, with an estimated marinum capacity of daily meltings of 33,000,000 pounds, your company operates 7 refineries and has an interest (in each case less than a majority) in 4 refineries, and it has no interest whatever in 10 refineries. Between these independent refineries and those operated by your company, the compenition is less than a time in the compenity is less than at time in the compenity is the compenity in the time. ated by your company, the competition is continuous and severe. While the number of your refineries in operation is less than at times in the company's history due to the times in the company's history due to the consolidation of some refining plants, yet the increased capacity of our other refineries has caused a substantial increase in the actual capacity of your cane refineries. This increased capacity, however, cannot at pres-ent be fully utilized, as the total capacity of all the refineries of the United States is

nil the refineries of the United States is much in excess of consumption. The consumption for the year 1900 shows approximately an increase of 2.25% over the previous year. The meltings of the American Sugar Refining Company show an approximate increase of 1.17% over 1908.

Of the 64 factories which produce sugar from beets, with an estimated aggregate daily capacity of 47,700 tons of beets and a period of operation of from 75 to 100 days each year, your company is interested in 33 factories, with a daily slicing capacity of about 28,500 tons, and has no interest in 31 factories.

III. Tariff Duties on Sugar.

There also exists a widespread belief, which, however, is a mistaken one, that the refining of sugar decrees a large and excessive benefit from protective duties.

All the raw and refined sugar imported into the United States from foreign countries is subject to duty. In this manner the Government

ernment derives a very large revenue, and incidentally the domestic cane and beet industry is benefited. This Company alone has paid to the Government in duties on importations in fourteen years the large sum of \$335,000,000.

\$335,000,000.

Inasmuch, however, as the relative duty on raw and refined sugar is so adjusted as to leave to the refiner a margin of protection of only seven and one-half cents per 100 pounds of refined sugar, or, barely more than 1/16 cent per pound, it is evident that contrary to the general impression, the protection to the refining industry is exceedingly small. The duty paid on raw sugar imported into this country is substantially refunded by the floverment on any equivalent quantity of Covernment on any equivalent quantity of refined sugar produced therefrom which is exported. A misunderstanding in regard to this has given rise to unfavorable significant. as the company appears to sell sugar for export at a price lower than that charged the domestic consumer. This is not the case. The company receives substantially the same price for its receives substantially the same for its product whether sold abroad

or at home. Granulated is now quoted for export at 3.10 cents against a domestic price of 4.90 cents per pound. This difference is caused by the refund by the Government of the larger part of the duty previously paid upon the raw sugar, to encourage the exportation of a product manufactured in this country, and this refund is in pursuance of the recognized multiple policy of encouraging

country, and this refund is in pursuance of the recognized public policy of encouraging the exportation of products produced by American labor and capital.

This company has no interests whatever, either directly or indirectly, in Cuba, Porto Rico, Hawaii, the Philippine Islands or in any foreign country; it does not share in the advantages that owners of sugar plantations in these countries may have in sending sugar

advantages that owners of sugar plantations in these countries may have in sending sugar to this market.

We express no opinion as to whether it is sound public policy to stimulate the production of beet sugar and of domestic cane sugar by the present duties. These questions of policy are for the determination of Congress, and the only purpose of this reference to the fiscal duties relative to your business is to emphasize the fact that its prosperity does not depend upon high protective duties, does not depend upon high protective duties, and that the margin between the duly on the raw material and the duty on the refined sugar is so slight, being as previously stated, only seven and one-balf cents per 100 pounds, that it has no appreciable effect in artificially enhancing the price of the refined product by the exclusion of foreign importations.

IV. Relative Cost of Sugar.

At a time when the cost of nearly all the necessities of life is steadily and persistently advancing and manufacturing expenses generally are materially growing, it is with much satisfaction that your attention is called to the price of granulated sugar, which has remained very nearly stationary during the past ten years, and is nearly stationary during the past ten years, and is nearly stationary during the past ten years, and is nearly stationary during the past ten years, and is nearly stationary during the past ten years, and is nearly stationary during the past ten years, and is nearly stationary during the past ten years, and is nearly stationary during the past ten years, and is nearly stationary description. There has, moreover, been no lineage in the throughout the station has remembed on average at about \$7 cents per 100 pounds. It is thus noteworthy that the entire refining business is done at an expense of a fraction of a cent per pound. This fraction includes not only the cost of refining, but the losses involved in the refining process, and in transportation, the wear and tear and depreciation on the expensive machinery used, the cost of the packages in which the sugar is delivered to the market, and finally, the refiner's profits. Few, if any, necessaries of life, are sold at such a slight margin of profit and few can show with increased cost of materials and labor during the last decade, a reduced price. This is a striking illustration of the truth, to which public attention has recently been forcefully directed, that the employment of large capital in the economical production of a commodity often results in a distinct benefit to the consumer.

The figures appended have been convoiled

a commodity often results in a distinct benefit to the consumer.

The figures appended have been comoiled from Willett & Gray's Weekly Statistical Trade Journal, and give ih detail the average prices of raw sugar and of granulated sugar in New York for the past ten years in cents per pound, together with the difference in price between raw and refined sugar.

Year	Raw 96 * Polariza- tion	Aver-	Refined Granu- lated	Aver-	Differ.	ATT
1900 1901 1902 1903 1904	Cents 4.506 4.047 3.542 3.720 3.974	3.969	Cents 5,320 5,050 4,455 4,638 1,772	4.847	.754 1.008 .913 .918 .798	.878
1963 1906 1907 1908 1909	4.278 3.688 3.756 4.073 4.007	3.900	5.256 4.515 4.649 4.937 4.765	4.800	.978 .829 .895 .884 .758	808

For purposes of comparison the years covered have been divided into two periods of five years each, and average prices calculated for each of these periods.

The difference in the margin between raw

and refined sugars, as shown above, has been thus slightly less on average during the past five years than during the previous corres-

five years than during the previous corresponding period.

The American Sugar Refining Company has no agreement, direct or implied, in regard to the fixing of prices or the regulation of the production of refined sugar. The industry in general contends with a competition of the keenest and fiercest character, Its corporate status has had the direct sunction of the highest tribunal in the land, the Supreme Court of the United States.

V. Litigation Against the Company. No extended or adequate reference can be

made in this report or at this time to the litigation against your company and some of its employees, for the reason that these matters are still the subject of judical in-vestigation. In April last the Board, through its Secretary, communicated to you a state-ment signed by the counsel for the company, giving the reasons why this company had settled a claim, which had been made against it by the United States Government by rea-son of certain fraudulent underweighing of sugar at one of your several refineries. Your Board has endeavored in every way to facilitate the investigations of the Governfacilitate the investigations of the Govern-ment. Without the formality of a subpœna, the officers of this company, with the knowl-edge and approval of the Board, have put in the possession of the special counsel for the Government, all books, documents, letters and minutes of whatever kind, that such special counsel desired, and have given them the freest and fullest access to the offices of your company and the freest and fullest opportun-

company and the freest and fullest opportun-ity to interrogate any and all employees. No attempt whatever has been made to

No attempt whatever has been made to shield any one and your Board has no reason to believe and does not believe that any executive officer or director of this Company had any knowledge of or participation in this fraudulent underweighing.

Another litigated case, which has been the subject of much inaccurate and unjust comment is the suit brought against this company by the Receiver of the Pennsylvania Sugar Refining Company, growing out of a transaction known as the Segal loan. As it has also been made the subject matter of legal proceedings by the Government against this company and some of its directors, any adequate statement of the true facts of the case at this time might be misconstrued and is at this time might be misconstrued and is therefore best omlitted. It is sufficient to say that the Supreme Court of the United States, when called upon to consider the legality of the acquisition by this commany of four sugar refineries in the City of Philadelphia, held that the interstate commerce law did not

apply, and it was therefore at all times assumed by this company and its directors and officers at the time of the Segal loan, and still is the opinion of the counsel, who have represented the company in the litigation, that the short time loan, which was made to Segal upon the security of a controlling interest in one refinery, was not a violation of any law.

In the suit brought by the Receiver of the Pennsylvania Sugar Refining Company Pennsylvania Sugar Redning Company against your company the United States District Judge, who tried the case at first, sustained the position of this company in this respect. The Circuit Court of Appeals, how-

The later than the same of the

sustained the position of this company in this respect. The Circuit Court of Appeals, however, upon the averments made by the Pennsylvania Sugar Refining Company in its complaint, felt constrained to hold otherwise. In this decision and in the subsequent American Tobacco case, that court gave a much wider interpretation to the Sherman Anti-Trust Law than any that had theretofore been given. Its soundness is how under review in the Supreme Court of the United States, on an appeal in the Tobacco case and that court will soon finally determine the question. On the trial of the case against your company following the reversal of Judge Holl's decision by the Circuit Court of Appeals, a proposition was made to settle the plaintiff's claim for less than one-fifteenth of the entire claim, and under the advice of the very eminent counsel, who represented this company, it has given its assent to such settlement, which has now been carried to final consummation. The litigation is therefore ended.

VI. Condition of Refineries.

The general physical condition of your re-

The general physical condition of your refineries is excellent.

The company's new refinery at Chalmette, I.a., which has been in progress of construction for several years, commenced its operations last May and has a refining capacity of 3,000,000 pounds daily. It its equipped with the latest labor gaving machinery and, as a consequence, it is expected that sugar can be refined at this refinery more cheaply than at any other in, this country. Extensive improvements are in progress at the company's Boston refinery, which will lessen the risk from fire, result in greater capacity and permit of more economy in operation. These improvements in Boston have involved during the current year the expenditure of about \$400,000. Additions to the facilities for storing and handling sugar have been made in Jersey City. Radical improvements are also in progress in this refinery, in connection with the boiler house and power systems. Puring the year the Philadelphia refinery has benefited considerably from the improvements made in 1908 at a cost of approximately \$200,000. A new electric power system and other electrical equipment have recently been added, and these expenditures have aggregated about \$100,000. Much work has also been done in the Havemeyers & Elder Refinery to produce more economical results, and upon this work satisfactory progress can be reported.

A very valuable asset of the American

upon this work satisfactory progress can be reported.

A very valuable asset of the American Sugar Refining Company is the Brooklyn Cooperage Company. It has factories in Boston, New York, Philadelphia, New Orleans, and Port Chalmette, La., with reserve factories and reserve stock as precautions against fire. It now owns in New York State 40 000 acres of timber land with stumpage rights on 60,000 more acres. In Pennsylvania it controls timber on about 30,000 acres in Arkansas it owns 70,000 acres and in Missouri, 90,000 acres. It owns and operates 9 stave and heading mills and incidentally operates 80 miles of railroads in order to get its timber to the mills and thence to the factories. The condition of this company is most excellent and largely adds to the efficient and economical handling of sugar.

It gives your Board great estisfaction to state that the technical operations of the cane refinerles and the best sugar factories are showing better results than at any time in the history of the company.

Your Directors fully recognize that the continued and permanent success of your company must depend upon its ability to make the best refined sugar as economically as any of its competitors, and to sell it to the consumer upon fair and reasonable terms.

We have disposed of out interest in the coffee business, as well as our interest in some other agencies of diarribation.

VII. Pinancial Condition.

Until a full statement of our financial condition can be prepared, the directors wish to assure the stockholders that the year has been a prosperous una. The dividends have been fully earned.

The company's financial report for 1900, giving the results of the year's business and a statement of assets and liabilitiess as of December 31st, 1900, is being prepared and will be sent to the stockholdres at the usual

The directors are greatly gratified to have received proxies for over 640 000 shares, which is the largest number the management has ever received in the history of the com-

VIII. List of Refineries.

The American Sugar Refining Company operates the following cane reflecties.:
Standard Refinery, Boston:
Havemeyers & Elder, New York:
Matthiessen & Wiechers, Jersey City;
Spreckels Refinery, Philadelphia;
Chalmette Refinery, New Orleans.

The company also owns and holds in re-The company also owns and holds in reserve in readiness to start in case of the destruction of any of the active refineries by fire, or in case of an excessive temporary demand for refined sugar:

The Frankliu Refinery, Philadelphia.

The Louisiana Refinery, New Orleans;
The company also owns one quarter of the

The company also owns one-quarter of the capital stock of the National Surar Refining Company, and one-half interest in the Western Sugar Refining Company of San Francisco

The beet sugar companies in which the American Sugar Retining Company is inter-ested are the following:

Alameda Sugar Co., California; Spreckels Sugar Co., California; Utah-Idaho Sugar Co., Utah; Analgamated Sugar Co., Utah; Lewiston Sugar Co., Utah; Great Western Sugar Co., Colorado; Michigan Sugar Co., Michigan; Michigan Sugar Co., Michigan;
Iowa Sugar Co., Iowa:
Carver County Sugar Co., Minnesota;
Menominee River Sugar Co., Michigan;
Continental Continental Sugar Co., Ohio. By order of the Board, C. R. HEIRE,

January 12, 1910.

198 Henry street is now in the Tombs GIRL SAVES PRIEST'S ESTATE. Finds \$30,000 Scattered About His Home

- She Gets None of It. NEW OBLEANS, Jan. 12. Mary Hardy, a roung frish girl who had been housekeeper for Father Nigholas Simon, priest of the Catholie Church of St. Francis de Sales, who died January 1, reported to the authorities that a great deal of loose money was lying around the father's

and several children were in Sullivan county and that they needed immediate attention, also the cows are turned out loose in the pasture and likely to freeze one of these cold nights if there isn't a man around.

"See, I have here a letter from my wife," said Ginsberg. He reached into a back loose in bookcases, envelope; on mantel-pieces, between the pages of books, in fact nearly everywhere that it could be put.

Mac Wood Must Watt a While More. Mae C. Wood, who is under indictated for perjury and forgery in commercial with her shift against Senator Platt for divorce, encountered more delay yesterday in the General Sessions. When her counsel asked on January 6 that the case be dismissed Judge Foster decided that Assistant District Attorney Northbould show Cause Vertaging 18 should show cause yesterday why it should not be dismissed. Mr. Not pointed out yesterday that the motion for dismissal had not been made by Charles C, Hubbell, the attorney of record, and on the technicality the case went over until its resultanceal time on the calendar. until its regular call time on the calendar

fact nearly everywhere that it could be put.

Father Simon was not a miser, but was careless about money, having no use for it. All this money goes to his legal heirs in France and the girl who saw that it was not taken does not get a cent of legacy. Some of the members of the church, however, will raise a reward for her marked honesty. Father Simon was thought to be poor and no one knew of his money until Miss Hardy called attention to it.

Wanted His Son to Stick to College.

The will of Mathias Strasburger, a clothing merchant of 66 East Sixty-sixth street, who died on January 8 leaving an estate worth about \$100,000, gives the income of two-thirds of his residuary estate to his son, Alfred, with the provision that one quarter of it is to be taken from him if he does not complete his college education. The will also leaves \$4,000 to charities. Wanted His Son to Stick to College.

Skipper of the New Bermuda Boat Spins

satis on Saturday on her first cruise to Bermuda and the West Indies. Capt. L. R. Diekinson entertained the company with some of his sea experiences which date back to 1859, when he was 12 years of age. He had been to the United States only once before coming into range a week ago with the startling sky line of this city The first visit was in a wooden ship that had a propeller to help her out when the wind was dead ahead or there was no wind at all. Yes, they had auxiliaries even back in 1865. It took him 114 days to reach San Francisco from Liverpool. He left Liverpool a boy and was a man when the ship dropped anchor at San Francisco. Those were the days when skippers were of the heroic stuff. He took a ship out of San Francisco with 1,000

CARGO OF DEAD CHINAMEN. Chinameter all dead. In the cargo spaces hind the Chinamen were apples.
It was the most curious cargo he ever had carried. Capt. Dickinson has been Man who write about ships were the thirty-four years a skipper and much of a guests yesterday at luncheon aboard far East and Australia.

